



U.S. Department of Housing and Urban Development

Special Attention:
Public Housing Office Directors; Program
Center Coordinators

Notice PIH 98-37 (HUD)

Issued: July 7, 1998
Expires: September 30, 1998

Cross References: NOFA FR-4358 or PDF format

Subject: Section 8 Family Self-Sufficiency (FSS) Program
Coordinators - FY 1998 Processing Instructions

1. **Purpose.** This notice provides instructions for reviewing applications and providing funding under the FY 98 NOFA for Section 8 FSS program coordinators.
2. **Background.** The FY 98 Section 8 FSS program coordinators NOFA was published in the Federal Register on June 1, 1998. Funding under the FY 98 NOFA is available to small public housing agencies (PHAs) that were awarded FSS program coordinator funding under earlier NOFAs and also to eligible small PHAs and State and regional PHAs that have not previously received FSS program coordinator funding. Under this NOFA, both the voluntary FSS slots reflected in the PHA's HUD-approved FSS action plan and its mandatory FSS slots are counted in determining the PHA's FSS program size.

No rating and ranking of applications is required. Instead, the Office of Public Housing staff in the local HUD field office HUB or local HUD field office Program Center (referred to throughout this NOFA as local HUD field offices) will review the applications to determine whether or not applications are complete and technically adequate based on the NOFA requirements. All technically adequate applications will be funded to the extent funds are available. If HUD receives applications for funding greater than the amount available under this NOFA, HUD Headquarters will first fund applications from the PHAs that received FSS program coordinator funding under the FY 97 NOFA. If funding remains, HUD will then fund applications from PHAs that did not receive funding under

the FY 97 NOFA. These applications will be funded in size order from the smallest PHAs first (i.e., those PHAs with the smallest combined rental voucher and certificate programs, or, in the case of State and multi-county regional PHAs, smallest FSS program size). The size of a State or multi-county regional PHA's program will be determined based on the number of FSS slots it plans to administer with the funds for the FSS program coordinator.

3. **Application Review Checklist.** Attachment 1 of this notice is the Application Review Checklist that the local HUD field offices should use to screen PHA applications for FY 98 FSS program coordinator funding.
4. **Application Submission Procedures and Due Date.** The PHA must submit its FSS program coordinator application, consisting of all required letters and certifications, to the local HUD field office. The due date for a PHA's application will vary based upon the method of submission, as follows:
 - a. **Mailed Applications.** Applications will be considered timely if postmarked on or before 6:00 pm on July 24, 1998, and received by the local HUD field office before close of business on August 3, 1998.
 - b. **Applications Sent by Overnight/Express Delivery.** Applications sent by overnight delivery or express mail will be considered timely if received by the local HUD field office on or before July 24, 1998, or upon submission of documentary evidence that they were placed in transit with the overnight delivery service by no later than July 24, 1998.
 - c. **Hand Carried Applications.** Applications must be delivered to the appropriate local HUD field office by 6:00 pm local time on July 24, 1998.
5. **Determining Total Program Size.** For consistency, local HUD field offices should use item 4 (No. of Dwelling Units) on the latest HUD-approved Form HUD-52672 (Supporting Data for Annual Contributions Estimates) for the PHA's rental certificate and voucher programs to determine the total number of rental certificates and vouchers administered by applicant PHAs. If FY 98 rental certificate or voucher funding has been approved and reserved, but not yet contracted, local HUD field offices

should add the number of reserved units to the number of units shown in item 4 on the Form HUD-52672.

6. **Measuring Progress.** For PHAs that received FY 97 FSS program coordinator funding, the PHA certification (Attachment A of the NOFA) must demonstrate that the PHA hired an FSS program coordinator with funding previously awarded and that the PHA has formed and convened an FSS program coordinating committee, developed an FSS action plan and submitted it to HUD for approval, and that the PHA has executed contracts of participation with FSS program participants. The information in the PHA certification is subject to HUD verification.
7. **Evidence Demonstrating Salary Comparability.** HUD's objective is to ensure that the salary for which funding will be provided is reasonable in the local labor market. The local HUD field office need only review the evidence submitted by those PHAs that are required by the NOFA to submit the Attachment B letter to determine that the salary is not excessive. There is no requirement that the PHA provide any specific form of evidence. If the PHA is requesting an amount at or below the maximum amount allowed in this NOFA, the local HUD field office may approve less than the requested funding only if it determines that the amount requested is clearly unreasonable based on the PHA's evidence. The maximum award under this NOFA is \$45,000.
8. **HUD Reform Act.** The HUD Reform Act requires that HUD make available for public inspection the documentation supporting the approval or disapproval of each application. In addition, the documentation must indicate the basis on which any award was made or denied. Accordingly, reviewers must ensure that their review checklists are appropriately completed in support of the recommendation to Headquarters that the application be approved. The Director of the Office of Public Housing or Program Center Coordinator should ensure that all reviewers within the local HUD field office are consistent in their use of this processing Notice and the requirements of NOFA FR-4358.
9. **Review by Office of Fair Housing and Equal Opportunity.** The Office of Fair Housing and Equal Opportunity (FHEO) in the local HUD field office will no longer review each PHA application submitted for funding for the Section 8 rental voucher or certificate programs. Instead, FHEO

will only review applications from PHAs that it is monitoring based on past non-compliance with fair housing and equal opportunity requirements.

At least annually, the FHEO Director in the local HUD field office must provide to the HUB Director of Public Housing or Program Center Coordinator, a list of the names of PHAs that are subject to FHEO compliance reviews and for which FHEO wants to review applications for Section 8 rental vouchers or certificates. Upon receipt of PHA applications for FSS program coordinator funding, the HUB Director of Public Housing or the Program Center Coordinator must forward for FHEO's review copies of applications from those PHAs identified by the Director, FHEO.

If the local HUD Field Office questions the validity of a civil rights certification by a PHA, the PHA's application may not be funded until the applicant resolves any charge, lawsuit, or letter of findings to HUD's satisfaction. (See paragraph I.(G)(2) in NOFA FR-4358.)

10. **Initial Screening of Applications.** The local HUD field office must review the applications at the time they are received using the Application Review Checklist that is Attachment 1 of this notice. The first step is to complete the initial screening of each application using Part I of the Application Review Checklist to determine which applications are eligible for further processing. If the answer to any question in Part I of the checklist is "no," the application is unacceptable for further processing and must be rejected.

In its initial screening of applications, the local HUD field office will be required to determine if the PHA's MTCS reporting for the Section 8 FSS program is adequate. (See Part I, question 2.(c) of the Application Review Checklist.) Adequate reporting means that the MTCS system shows tenant records for at least 75 percent of families currently enrolled in the PHA's Section 8 FSS program. Generally, the June report, which can be viewed on the MTCS screen after mid-July, will be used to evaluate reporting. However, the Department is aware that many PHAs are having difficulty reporting at this time because of circumstances beyond their control such as vendor software problems in switching to the new form

HUD-50058. For any PHA that has been unable to report or update its FSS information in the MTCS system because of circumstances beyond its control, the local HUD field office may accept from the PHA a paper copy of the FSS addendum that the PHA has completed for each current FSS program participant as confirmation of the PHA's FSS reporting. HUD's acceptance of paper forms to document compliance with the MTCS reporting requirements of the FY 98 FSS program coordinator NOFA does not relieve PHAs of the obligation to submit FSS data electronically at the earliest possible date.

11. **Further Review of Applications.** Parts II and III of the Application Review Checklist are to be used by local HUD field offices in reviewing the contents of those applications which were found to be eligible for further processing in the initial screening described in paragraph 10 above. (Part II of the checklist will be used for screening applications of PHAs that received FSS program coordinator funding in FY 97 and Part III of the checklist is used to determine eligibility of applications from PHAs that were not funded in FY 97.) The local HUD field office's review of a PHA's application must be completed, and the PHA notified in writing of any deficiencies (information either missing or requiring correction), promptly following the date of receipt of the PHA's application. The PHA has 14 calendar days, from the date of receipt of the local HUD field office notification letter, to submit the missing or corrected information to that office. Information received by the local HUD field office after 3 p.m. local time of the 14th calendar day will not be accepted and the application will be categorized as unacceptable for further processing and rejected.
12. **Notification on Unacceptable Applications.** After the 14-calendar day deficiency correction period, the local HUD Office must immediately notify any PHA that submitted an application that the local HUD field office determined is unacceptable for processing. The local HUD field office's rejection letter to the PHA must clearly state the basis for the decision.
13. **Notification of Approvable Applications.** No later than August 31, 1998, each local HUD field office must transmit (by electronic mail) to Kathryn L. Greenspan and Eileen T. Davis, (PIHPOST) in HUD Headquarters' Office of Public and Assisted Housing Delivery, information on all

applicants that have submitted technically adequate applications for FSS program coordinator funding. (See paragraph 14. below for information on the Microsoft EXCEL file that is to be used by local HUD field offices for the electronic transmission of the information.)

For each approvable application, the following information must be provided:

- a. Name of old HUD State or area office (for fund assignment purposes);
- b. Name of the PHA and PHA number;
- c. Section 8 programs administered by the PHA (i.e., rental certificate, rental voucher, or both);
- d. Total rental certificate and rental voucher program size;
- e. FSS program size. (For state or multi-county regional PHAs, the number of FSS slots the PHA plans to administer with the FSS program coordinator funding.)
- f. Approvable amount of funding.

The local HUD field office's electronic submission to Headquarters must include a completed HUD Congressional Notification letter for each PHA application found eligible for funding. If the application is funded, Headquarters will submit the Notification letter to Congressional Relations.

14. **File for Electronic Transmission of Required Information on Approvable Applications.** A Microsoft EXCEL file created for purposes of the electronic transmission of the required information on approvable applications, will be transmitted to each local HUD field office by Headquarters. The EXCEL file is divided into two parts. Part I is for listing all applicants that received FSS program coordinator funding in FY 97 and Part II is for applicants that did not receive FY 97 FSS program coordinator funding. The Part II information must be provided separately since the listing of applications of PHAs that did NOT receive FY 97 FSS program coordinator funding must be in rank order from the smallest to the largest, by the total Section 8 rental

certificate/voucher program size, or, in the case of State and regional PHAs, by FSS program size.

For uniformity, please do not attempt to alter the worksheet format. Local HUD field offices should enter data only on the worksheet. The EXCEL format will automatically calculate the dollar totals for "Amount Approved" in the boxes provided at the bottom of Part I and Part II of the format. To avoid any delays in the fund reservation process for FY 98, it is essential that the local HUD field office clearly indicate on the EXCEL worksheet whether each PHA administers the rental certificate program, rental voucher program, or both. PHAs with both programs will be assigned the rental certificate HUDCAPS Program code, but these funds will not be restricted for use by the PHA to provide FSS program coordinator services for families under the certificate program only.

15. **Funding of Applications.** All technically adequate applications will be funded to the extent funds are available. If HUD receives applications for funding greater than the amount made available under the FY 98 NOFA, Headquarters will allocate available funding among approvable applications starting with those PHAs that received FSS program coordinator funding in FY 97. If funding remains, HUD will then fund applicants that did not receive FY 97 FSS program coordinator funding in size order from the smallest PHAs first, i.e., those PHAs with the smallest combined rental certificate and voucher programs, or in the case of State and multi-county regional PHAs, smallest FSS program size. (The size of a State or multi-county regional PHA's FSS program is determined based on the number of FSS slots it plans to administer with the FSS program coordinator funding.)
16. **Fund Reservation, Congressional Notification, Application Approval and ACC Execution.** Headquarters will assign funds to local HUD field offices to cover PHA applications approved by Headquarters for funding. At the same time, Headquarters will provide the applicable HUD Congressional notification letters to the Office of Congressional Relations. (See paragraph 13 of this Notice which requires local HUD field offices to prepare and submit electronically Congressional notification letters to Headquarters with the field office's listing of approvable applications.)

The funds assigned pursuant to this NOFA are Section 8 administrative fees. Local HUD field offices will place the fees under ACC as a separate funding increment, with a project number that will identify the funding increment as administrative fee funding for a program coordinator for the FSS program (e.g., CA004CE0F01). Local HUD field offices should place this funding under the PHA's appropriate program ACC, consistent with the fund assignment HUDCAPS Program Code on the Form HUD-185. Upon fund reservation, local HUD field offices must obtain a Congressional notification release date from the Headquarters' Office of Congressional Relations before mailing the application approval letter to the PHA.

17. **Eligible Applicants that have Received HUD Approval of Exceptions to Implementing FSS Programs of the Mandatory Minimum Size.** If a local HUD field office has approved either a full or partial exception to implementing an FSS program of the mandatory minimum size for an eligible applicant, solely because of a lack of funds for reasonable administrative costs, and the PHA applied under the FY 98 FSS program coordinator NOFA but does not receive funding, the PHA's FSS exemption will be automatically reinstated. If an eligible PHA failed to apply for available funding under the FY 98 FSS program coordinator NOFA, the PHA's exception is rescinded and it will be required to implement an FSS program. Failure to implement an FSS program as required may be the basis for reduced ratings under future Section 8 NOFAs.

If you have any questions regarding the attached checklist or on any requirements of this Notice, please contact Kathryn L. Greenspan in the Office of Public and Assisted Housing Delivery at PIHPOST or call (202) 708-0614, extension 4055.

_____/s/
Deborah Vincent, General Deputy Assistant
Secretary for Public and Indian Housing

Attachment (separate file)